

# **THE JACOBS REPORT**

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**For Immediate Release**  
**April 22, 2005**

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## **SENATE DEMOCRATS ANNOUNCE “CONSUMER RIGHTS” AGENDA**

Senate Democrats fired off an arsenal of proposals at a Capitol press conference highlighting their consumer protection agenda. Democrats argued that the collection of legislative ideas, some new and others having been cast aside by the majority party in years past, are much needed in today's era of identity theft and credit rip-offs. In launching their offensive, the Democratic caucus established an identity for the up-coming session and an issue they can call their own heading into 2006.

Upper Chamber Democrats believe that Michigan's consumers have every reason to expect the Legislature to enact basic safeguards against crime and unsavory business practices. “Consumers are entitled to privacy, ethical treatment, and accountability from all those with whom they do business,” said Sen. Gilda Z. Jacobs (D-Huntington Woods). “Michigan Senate Democrats are promoting tough new laws that will help protect consumers and provide peace of mind.”

The Senate Democrats announced that they will be introducing over a dozen new consumer protection measures. Their new bills will include provisions that would:

- Provide fines for credit counseling agencies that charge up-front fees with the promise to relieve a consumer's debt but then fail to deliver any service.
- Establish criminal penalties for data management companies that knowingly fail to notify consumers that their personal data has been lost or stolen.
- Provide consumers with protection against theft of Social Security numbers by allowing people the option of proactively changing pin numbers or control access numbers.
- Prohibit financial institutions from sharing personal information without obtaining the consumer's consent, require a consumer “opt-in” for the sharing of information with an unaffiliated third party, and provide the opportunity to “opt-out” of sharing information with a financial institution's affiliates.
- Un-bundle charges on electricity & gas bills and require clear explanations of charges.

- Provide consumers relief, including damages and reasonable attorney fees, for individuals injured directly or indirectly as a result of an insurance company's violation of unfair trade practices.

"The reality is that not all consumers are receiving fair and equitable treatment," said Sen. Martha G. Scott (D-Highland Park). "Auto insurance is just one example of where consumers are being openly discriminated against."

Senate Democrats have been fighting all session on behalf of Michigan consumers. Among their important legislative victories is Public Act 434, sponsored by Sen. Hansen Clarke (D-Detroit), which establishes criminal penalties for landlords who knowingly rent housing units contaminated with lead paint poisoning.

Senate Republican Spokesman Ari Adler said the Democrats' proposal would be considered.

You can learn more about the policy agenda of Michigan Senate Democrats by visiting [www.senate.michigan.gov/dem](http://www.senate.michigan.gov/dem).

## **GOVERNOR TO SELL STATE AIRCRAFT Sale Could Net \$1 Million, Boost Efficiency**

Governor Jennifer M. Granholm announced that her administration will sell five aircraft and implement efficiencies to streamline the state's aeronautics operation to reduce state spending.

The Governor's decision is part of her ongoing effort to improve the efficiency of state government and reduce spending. It follows the recommendations of an internal task force established at the Governor's request to review air service efficiency within the departments of Management and Budget (DMB), Transportation, State Police, Natural Resources, and Military and Veterans Affairs

"At a time when we are accounting for every dime spent by state government, there are no sacred cows," Granholm said. "Just as we have downsized the vehicle fleet, we're now ready to downsize the number of aircraft in a way that will result in greater efficiency without sacrificing the work we're doing for Michigan citizens."

"We plan to take advantage of cost-saving opportunities in aeronautics without compromising service," said DMB Director Mitch Irwin, who chaired the task force. "While each department has unique roles and responsibilities, we want to provide the best, most cost-effective service and can do that by sharing resources."

The task force report includes the following recommendations:

- The immediate sale of five aircraft with an estimated value of \$1 million, and operational savings of \$116,000 (through fiscal year 2006). Sale of MDOT aircraft must be approved by the Michigan Aeronautics Commission.

- Consolidation of scheduling, dispatching, and passenger transport flights within the Michigan Department of Transportation.
- Sharing of facilities and personnel in one location for major maintenance, repair, and upgrade of aircraft.
- Forming an aviation safety team among those departments operating aircraft to keep safety as a top priority and ensure consistent communication in all aviation operations.

Since January 2003, the Granholm Administration has reduced state spending by approximately \$325 million through contracts savings, vehicle fleet reductions, and administrative efficiencies.

With the Governor's approval, implementation of recommendations will begin June 1, 2005.

## **FUNDRAISING WITH TEXAS HOLD 'EM? FOLLOW THE LAW!**

The popularity of Texas Hold'em poker has been a boon to charitable gaming fundraising efforts, but non-profit organizations should beware of illegal issues surrounding the game.

With the exception of Texas Hold'em games operated in casinos, the only organizations which legally operate the game and related tournaments are those non-profits that meet the qualifications of the Bureau of State Lottery's Charitable Gaming Division. No other entity is legally permitted to provide licenses and rules. When the Lottery is alerted to an organized, non-licensed Texas Hold'em tournament, local law enforcement agencies are contacted.

"Over the past few months, applications for licenses have increased in the Charitable Gaming Division," said Lottery Commissioner Gary Peters, noting that 671 millionaire party licenses have already been issued in 2005, compared to 681 that were issued in all of 2004. "With that, so have non-licensed/illegal events. Organizations sponsoring such events must go through the proper channels in order to avoid facing serious consequences."

Organizing and managing a Texas Hold'em tournament it is relatively easy, Peters said. Organizations must first be qualified by the Charitable Gaming Division. A Millionaire Party application must be completed and submitted with a fee of \$50 per day. The qualifying organization will then receive a license to conduct the event as requested.

Qualifying organizations are encouraged to read and become familiar with the law, rules and directives governing Millionaire Parties that they will receive from the Charitable Gaming Division in order to avoid legal complications.

Those organizations interested in determining if they qualify for a Charitable Gaming license will find information at the Lottery's Web site at [www.michigan.gov/cg](http://www.michigan.gov/cg) or by calling (517) 335-5780. Texas Hold'em is a poker game in which players each receive two cards each, and then combine them with five face-up community cards to make the best poker hand.

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All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

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